

TENNESSEE STATE BOARD OF EQUALIZATION
BEFORE THE ADMINISTRATIVE JUDGE

IN RE: Todd Hegland)	Roane County
Property ID: 110L A 033.00)	
)	
Tax Year 2014)	Appeal No. 96382

INITIAL DECISION AND ORDER

Statement of the Case

The Roane County Board of Equalization (“County Board”) valued the subject property for tax year 2014 as follows:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$	\$	\$497,400	\$124,350

The taxpayer timely appealed to the State Board of Equalization (“State Board”). The undersigned administrative judge conducted the hearing on August 4, 2015 in Kingston. Taxpayers Todd and Jill Hegland; taxpayer witness appraiser Daniel Holloway; and assessor employees Jerry Bare, Vince Cannon, and Johnny King participated.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

The subject property consisted of a waterfront single family residence in Ten Mile. The taxpayers contended that the subject property should be valued at \$385,000. To support this position, the taxpayer offered three appraisal reports, expert testimony, and details about the taxpayer’s purchase of the subject on May 24, 2013 for \$325,000.

Although the administrative judge did not admit the taxpayer's appraisal reports into evidence due to lack of relevance,¹ Mr. Holloway's testimony on behalf of the taxpayer generally supported the taxpayer's position from at least a cost approach standpoint. Additionally, the taxpayer provided ample evidence to show that the taxpayer's purchase of the subject was preceded by an extended marketing period through multiple real estate agents. According to MLS records, the subject was listed at \$349,900 prior to the taxpayer's May 24, 2013 purchase of the subject for \$325,000.

The assessor's office did express an opinion of the fair market value of the subject. The assessor's office provided general information on how certain corrections to the physical description of the subject on the property record card might influence the property record card value calculation. The assessor's office further observed that even if such corrections in the taxpayer's favor had been made, the property record card value would still have been significantly higher than the taxpayer's \$385,000 contention of value. The assessor's office did not present any analysis or data to support the County Board determination or to rebut the taxpayer's presentation.

As the party challenging the status quo, the taxpayer has the burden of proof to establish a more credible value.² "Value" is ascertained from evidence of the property's "sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values..."³

¹ Two of the taxpayer's appraisal reports were authored by appraisers not present at the hearing. Mr. Holloway's appraisal report had an effective date after the January 1, 2014 assessment date, and Mr. Holloway admitted that he would have used different comparable sales had he appraised the subject as of the assessment date.

² See State Board of Equalization Rule 0600-1-.11(1) and *Big Fork Mining Company v. Tennessee Water Quality Control Board*, 620 S.W.2d 515 (Tenn. Ct. App. 1981). Disproving assumptions underlying the current valuation or pointing out "the likelihood that a more accurate value is possible" - without more - neither invalidates the levy or judgment under appeal nor constitutes a prima facie case for a change. *Coal Creek Company* (Final Decision & Order; Anderson, Campbell, and Morgan counties; Tax Years 2009-2013; issued June 25, 2015).

³ Tenn. Code Ann. § 67-5-601(a).

The administrative judge finds that the taxpayer's expert testimony and evidence concerning the taxpayer's purchase of the subject reasonably supported the taxpayer's contention that the fair market value of the subject was no higher than \$385,000. The assessor's office provided nothing to rebut the taxpayer's prima facie case. Accordingly, the administrative judge adopts \$385,000 as a reasonable upper threshold of value for the subject as of the January 1, 2014 assessment date.

ORDER

It is therefore ORDERED that the following value and assessment be adopted for tax year 2014:

<u>LAND VALUE</u>	<u>IMPROVEMENT VALUE</u>	<u>TOTAL VALUE</u>	<u>ASSESSMENT</u>
\$	\$	\$385,000	\$96,250

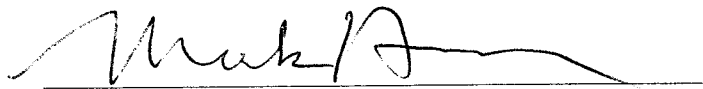
Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal **“must be filed within thirty (30) days from the date the initial decision is sent.”** Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or
2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is

requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

The result of this appeal is final only after the time expires for further administrative review, usually seventy-five (75) days after entry of the Initial Decision and Order if no party has appealed.

ENTERED this 9th day of October 2015.



Mark Aaron, Administrative Judge
Tennessee Department of State
Administrative Procedures Division
William R. Snodgrass, TN Tower
312 Rosa L. Parks Avenue, 8th Floor
Nashville, Tennessee 37243

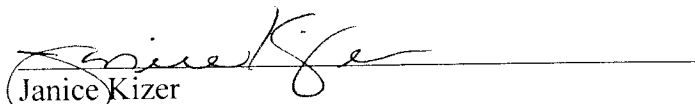
CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and exact copy of the foregoing Order has been mailed or otherwise transmitted to:

Todd Hegland
202 Jeffery Lane
Ten Mile, TN 37880

David Morgan
Roane Co. Assessor of Property
Roane County Courthouse
200 East Race Street, Suite 5
Kingston, Tennessee 37763

This the 9th day of October 2015.



Janice Kizer
Tennessee Department of State
Administrative Procedures Division